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URBAN-RURAL TRADE IN CHINA, 1950-1952

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[Summary: One of the most important economic aims of China is to develop the movement of goods between the countryside and urban centers. Therefore, in attempting to promote its domestic trade, China has held many commodity exchange conferences each year in many different localities. The total value of transactions in local and special products at 35 major commodity exchange conferences held during 1951 amounted to 7,723,500,000,000 yuan. The total value of transactions in the commodity exchange conference at all market levels during 1952 amounted to 43,222,100,000,000 yuan.

These conferences serve as a means to adjust industrial and agricultural production, to promote trading activities among minority nationalities, and to facilitate foreign as well as domestic trade. Among some of the problems confronting urban-rural trade are the following: strengthening of the handicraft industry, adjusting the proportion of public and private trade, improving contracting methods, and purchasing of slow-moving local products.]

One of the most important economic aims of China is to develop the movement of goods between the countryside and urban centers. This means the moving of industrial goods to villages and of agricultural products to urban centers. From January to November 1950, the amounts of agricultural products purchased by the state special products trading companies in China proper, either directly or indirectly through cooperatives, were as follows: 2 billion catties of grain, 5 million piculs of cotton, 9 million catties of hog bristles, 900 million eggs, and a great quantity of wool, tea, silk, walnuts, etc.

In 1951, China attempted to develop its domestic trade on a nation-wide scale. According to incomplete statistics, about 5 local products trade exhibitions and commodity exchange conferences were held on provincial or higher levels. The total value of these transactions amounted to about 7,723,500,000,000 yuan (see Table 1 [appended]). As for transactions below provincial levels, about 14,000 contracts and agreements amounting to more than 10 trillion yuan were signed.

Early in 1952, the Central People's Government encouraged the various state agencies to cooperate in the activities of the commodity exchange conferences. Moreover, tax bureaus simplified their tax-collection procedures, and banks lowered their interest rates. As a consequence, total value of the 1952 transactions exceeded that of the previous year. According to incomplete statistics, about 53 commodity exchange conferences were held on provincial or higher levels in 1952, the total value of transactions amounting to 19,622,100,000,000 yuan (see Table 2 [appended]). Adding to this figure the 23,600,000,000,000 yuan transacted at primary-level markets, the total value of the transactions of these commodity exchange conferences at all levels for 1952 amounted to more than 43,222,100,000,000 yuan (see Table 3 [appended; this figure differs from that given in Table 3]). Therefore, the transactions of 1952 were four times those of 1951.

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In the distribution of goods during 1952, several accomplishments and special characteristics should be noted. First, special efforts were made to sell large quantities of local products in urban centers and large quantities of industrial goods in rural areas. As an illustration, the Shansi delegation to the Autumn Commodity Exchange Conference in Peiping purchased about 50,000 hand plows. During the first half of 1952, sales of local, special, and supplementary agricultural products accounted for 60 percent of the total value of commodities exchanged with industrial goods accounting for the remainder. However, during the last half of 1952, the percentage of industrial goods rose to more than 50 percent, at least in the commodity exchange conferences of the North China, East China, and Southeast Administrative Areas.

The share of the market held by state and cooperative trade enterprises was about 70 percent at high- and middle-level markets, but less than 50 percent in the market as a whole. On the other hand, private enterprises transacted only 30 percent of the business in the high and middle-level markets, but more than 50 percent in the primary-level markets.

In addition to adjusting agricultural and industrial production, these conferences serve as a means of promoting trading activities among minority nationalities. In the 3-year period, 1949-August 1952, the state trading agencies in the Northeast Administrative Area purchased 67 million catties of wool, 5,480,000 pieces of fur, and 3 million casings. The value of these purchases amounted to 600 billion yuan. Moreover, the conferences have also promoted foreign trade. For example, the Central-South Commodity Exchange Conference resulted in the export of such slow-selling local products as nutgall, resin, paint, tobacco, and melon seeds to the value of 300 billion yuan.

Persistent problems in urban-rural trade are the disposition of slow-selling local products, the coordination of public and private trade agencies, and the provision of more commodity distribution points.

Furthermore, the handicraft industry must be strengthened. According to statistics compiled from North, East, and Central-South China, more than 60 percent of items of daily use are supplied to farmers by the handicraft industry. At present there are 25 million workers in the handicraft industry, of whom only 10 percent are producing on an organized basis. As a result, much of the work suffers from lack of uniformity, high cost, low quality, and lack of equipment. Finally, contracting methods need to be improved. Many instances of carelessness might be cited both in arranging and carrying out terms of contracts.

Although, on a nation-wide basis, public and private enterprises have fulfilled 80 percent of their contracts on time, there is much room for improvement.

[Appended tables follow.]

Table 1. Trade Exhibitions and Commodity Exchange Conferences, 1951

<u>Administrative Area</u>	<u>No of Conferences</u>	<u>Value of Transactions (in billion yuan)</u>	<u>Remarks</u>
North China	5	1,698.3	Figures for the Hopeh Conference not yet reported
Northwest	4	26.1	Figures for the Sinkiang Conference of June not yet reported
Northeast	3	3,294.4	
East China	9	1,187.1	
Central-South	9	2,247.8	Figures for the Hopeh Conference not yet reported
Southwest	5	169.8	Figures for the Kweichow Conference not yet reported
Total	35	7,723.5 [sic]	

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Table 2. 1952 Transactions of Commodity Exchange Conferences  
at High-Level and Middle-Level Markets  
(Including Local and Special Products Exchange Conferences)

Name of Conference	Location	Date Held	Breakdown of Transactions		Value of Transactions (in billion yuan)	Remarks
			Local and Special Products	Industrial Goods		
North China Commodity Exchange Conference	Tientsin	23 Apr-21 May	600 billion yuan	--	745.4	
North China Autumn Commodity Exchange Conference	Tientsin	27 Sep-15 Nov	48.93%	51.07%	5,628.5	Completed trans- actions, 11.75%; contracted trans- actions, 88.25%. Exceeding plan by 41%
Peiping Commodity Exchange Conference	Peiping	15 Sep-31 Oct	36.8%	63.2%	850	Exceeding plan by 71%
Kalgan, Chahar Commodity Exchange Conference	Kalgan	20-29 Aug	91.5 billion yuan	20.8 billion yuan	130	
T'ai-yuan Commodity Exchange Conference	T'ai-yuan	20 Nov-20 Dec	--	--	107.8	
Pao-ting Area Commodity Exchange Conference	Pao-ting	2-16 Dec	--	--	405	

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Shih-chia-chuang Special Municipal Area Commodity Exchange Conference	Shih-chia- chuang	27 Aug-10 Sep	--	--	244
North China Local Products Exchange Conference	Tientsin	9-18 Apr	--	--	33.8
East District of Inner Mongolia Commodity Exchange Conference	Wu-lan- hao-t'e	Oct-8 Nov	81%	18%	75
Subtotal					8,847.8
Southwest Commodity Exchange Conference	Chungking	21 Jul-6 Aug	30.63%	69.37%	566.6
Third Local Products Exchange Conference of North Szechwan	Nan-ch'ung	3-10 Jul	--	--	205.9
South Szechwan Commodity Exchange Conference	Lu-chou	9-18 Jul	42.37%	57.36%	107.6
West Szechwan Commodity Exchange Conference	Ch'eng-tu	12-25 Jul	65.8%	25.7%	73

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Yunnan Second Commodity Exchange Conference	K'un-ming	20-30 Dec	--	--	69.6	Completed transactions, 66.6%
Yunnan Commodity Exchange Conference	K'un-ming	26 Aug-3 Sep	35.5%	64.4%	116.9	Private enterprises, 44%
Kweichow Local Products Conference	Kuei-yang	5-12 Jun	--	--	34.9	
Kuei-yang Municipality of the Kuei-yang Special District Local Products Conference	Kuei-yang	28 Jul-10 Aug	--	--	74	
Subtotal					1,248.5	
Central-South Local Products Exchange Conference	Hankow	16-30 Apr	--	--	102.9	
Central-South Commodity Exchange Conference	Wu-han	10-31 Jul	63.53%	36.47%	2,323.2	State-operated, 61.21%; privately operated, 28.65%; cooperatives, 8.97%
Hunan Local and Special Products Exchange Conference	Ch'ang-sha	12-31 May	--	--	110.6	Public-private jointly operated, 1.17%
Ch'ang-sha Commodity Exchange Conference	Ch'ang-sha	17-27 Oct	--	--	180	Exceeds last year's total five times
						Twice the amount of 1951

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Hsiang-hsi Area Local Products Exchange Conference	Yuan-ling	10-17 Jun	--	--	21.1	
Honan Third Commodity Exchange Conference	Cheng-chou	11-27 Nov	77.7%	22.3%	527.8	Five times the amount of the second commod- ity exchange confer- ence (1951)
Kiangsi Local Products Exchange Conference	Nan-ch'ang	22-24 Apr	--	--	30	
Nan-ch'ang Commodity Exchange Conference	Nan-ch'ang	11-24 Jul	73.0%	--	117	
Kwangsi Commodity Exchange Conference	Nan-ning	6-16 Aug	123 billion yuan	61 billion yuan	188	Original plan 150 billion; 17 times last year's amount
Kuei-lin Area Commodity Exchange Conference	Kuei-lin	26 Jul-1 Aug	--	--	56.6	
South China Commodity Exchange Conference	Canton	1 Nov-6 Dec	--	--	1,600	
Central Kwangtung Area Commodity Exchange Conference	Kongmoon	25-31 Oct	--	--	165	
Hainan Area Urban- Rural Commodity Exchange Conference	Hai-kou	3-8 Jul	--	--	8	
Subtotal					5,430.2	

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Sian, Shensi Commodity Exchange Conference	Sian	13-31 Oct	48.71%	51.29%	150	
Kansu First Commodity Exchange Conference	Lan-chou	2-18 Oct	35.3%	64.7%	82.8	
Yin-ch'uan Commodity Exchange Conference	Yin-ch'- uan	20 Oct-2 Nov	--	--	15.5	
Tsinghai Local Prod- ucts Exchange Conference	Lu Sha-erh	9-25 Nov	--	--	6	
Sinkiang Commodity Exchange Conference	Urunchi	22 Nov-13 Dec	--	--	51.3	State trade, over 60%; local state-operated enterprises, under 10%; cooperatives, under 5%; privately operated, 25%
Subtotal					1,205.6	
East China Urban- Rural Commodity Exchange Conference	Shanghai	25 May-13 Jun	64.12%	35.88%	1,743.1	Local products, 1,116,700,000,000; industrial goods, 632,600,000,000
North Kiangsu Commodity Exchange Conference	Yang-chou	18-21 May	--	--	10.7	
South Kiangsu Urban- Rural Commodity Exchange Conference	Wu-hsi	29-30 Apr	--	--	12.6	

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South Kiangsu Urban-Rural Commodity Exchange Conference	Wu-hsi	5-15 Jul	54%	46%	223.8	
Nanking Urban-Rural Commodity Exchange Conference	Nanking	25 Jul-4 Aug	48.3%	51.7%	113.8	Completed transactions, 60%
Shantung Urban-Rural Commodity Exchange Conference	Tsien	29 Jun-12 Jul	--	--	187.4	
Tsingtao Commodity Exchange Conference	Tsingtao	21 Sep-4 Oct	50.66%	49.34%	322.7	State-operated, 53.27%; privately operated, 30.27%
Chekiang Commodity Exchange Conference	Hangchow	20-26 May	40%	--	71.3	State-operated, 35%; privately operated, 40%; cooperatives, 25%
Chekiang Autumn Urban-Rural Commodity Exchange Conference	Hangchow	15-30 Sep	--	--	315	
South and North Anhwei Urban-Rural Commodity Exchange Conference	Ho-fei	20 Jun-3 Jul	--	--	86.9	If transaction of local product companies and cooperatives are considered, total will amount to 200 billion

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Wu-hu Urban-Rural Commodity Exchange Conference	Wu-hu	25-31 Aug	--	--	55.6	
Fukien Urban-Rural Commodity Exchange Conference	Foochow	26 Jun-7 Jul	--	42%	146.1	200 billion yuan of overstocked goods have been sold
Fukien Autumn Commodity Exchange Conference	Foochow	14-18 Oct	41.98%	58.02%	45.3	Completed transactions, 70%
Subtotal					3,666.8	
Liaosi Local Products Exchange Conference	Chin- hsien	26 Apr-2 May	--	--	42	
Heilungkiang Local Products Exchange Conference	Ch'i-ch'i- ha-erh	20-29 Jun	--	--	81.2	
Subtotal					123.2	
Grand total (53 conferences)					19,622.1	

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Table 3. 1952 Transactions  
of Commodity Exchange Conferences, by Level

<u>Category</u>	<u>No of Conferences</u>	<u>Value of Transactions (in billion yuan)</u>	<u>Remarks</u>
High-level market exchange conferences	7	12,709.7	
Middle-level market exchange conferences	48	7,018.5	
Primary-level market exchange conferences	--	23,600	Add 57.3 billion yuan from Kan- chou, 30 billion from Amoy, and 56.2 billion from Jehol
Total		43,328.2	

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